

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15

STR-07 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 SOE-02

OMB-01 DOE-11 /115 W

-----119695 011952Z /64

P R 011918Z FEB 78

FM AMEMBASSY PARIS

TO SECSTATE WASHDC PRIORITY 5145

INFO AMEMBASSY HELSINKI

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY STOCKHOLM

ALL EC CAPITALS

USMISSION GENEVA

AMCONSUL BORDEAUX

AMCONSUL LYON

AMCONSUL MARSEILLE

AMCONSUL NICE

AMCONSUL STRASBOURG

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BRUSSELS ALSO FOR USEEC PRIORITY

E.O. 11652: N/A

TAGS: ETRD, FR, EC

SUBJECT: ANTI-DUMPING COMPLAINT: BLEACHED PULP

REF: (A) 77 PARIS 35265; (B) BRUSSELS 788; (C) PARIS

A-04, DATED JAN. 9, 1978

1. SUMMARY: ON JANUARY 27 THE FRENCH PULP MANUFACTURERS
ASSOCIATION SUBMITTED AN ANTI-DUMPING PETITION TO THE EC
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COMMISSION CONCERNING BLEACHED PULP FROM THE U.S. AND
CANADA. THE GOF HAS ALSO SET UP AN ADMINISTRATIVE VISA
SYSTEM TO MONITOR BLEACHED PULP IMPORTS. NO COMPLAINT
HAS YET BEEN BROUGHT AGAINST IMPORTS FROM SCANDINAVIA
SINCE SCANDINAVIANS APPARENTLY NEVER MADE INITIAL OFFERS
AT DUMPING PRICES, BUT WERE FORCED TO FOLLOW NORTH
AMERICAN PRICE LEADERS. END SUMMARY

2. ON JANUARY 27 JEAN-MARC ANGELLOZ, DIRECTOR GENERAL OF THE FRENCH PULP MANUFACTURERS ASSOCIATION, PRESENTED AN ANTI-DUMPING PETITION TO THE EC COMMISSION CONCERNING IMPORTS OF BLEACHED PULP FROM THE U.S. AND CANADA.

3. THE COMPLAINT HAS THE SUPPORT OF THE GOVERNMENTS OF FRANCE AND BELGIUM. THE DECISION TO MOVE AHEAD WAS PRECIPITATED BY PRICE CUTS (BELOW THE LEVELS REPORTED IN REF A) WHICH OCCURRED DURING JANUARY. EUROPEAN IMPORT PRICES (REGARDLESS OF SOURCE) ARE ALLEGED TO BE IN THE \$270-290 RANGE COMPARED TO U.S. PRICES OF \$310-330. WE HAVE REQUESTED A COPY OF THE COMPLAINT FROM THE ASSOCIATION AND WILL FORWARD IT TO WASHINGTON, ATTENTION LAMANTIA (EUR/RPE).

4. THE FRENCH HAVE ALSO INSTITUTED AN ADMINISTRATIVE VISA SYSTEM FOR IMPORTS OF PULP. THE SYSTEM IS INTENDED TO COLLECT PRICE INFORMATION ON ALL PULP IMPORTS AND HAS BEEN IN OPERATION SINCE JANUARY. THE DIRECTION DES RELATIONS ECONOMIQUES EXTERIEURES (DREE) HAS ASSURED US THAT THE SYSTEM HAS NOT RESULTED IN DELAYS IN CLEARING CUSTOMS.

5. ALTHOUGH SCANDINAVIA PRODUCERS ARE ALSO ALLEGEDLY SELLING AT DUMPING PRICES, FOR THE MOMENT ONLY NORTH LIMITED OFFICIAL USE

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AMERICAN PRODUCERS HAVE BEEN THE SUBJECT OF THE ANTI-DUMPING COMPLAINT. THE DREE EXPLAINED THIS APPARENT DISCRIMINATION IN THE FOLLOWING TERMS.

-- ACCORDING TO THE FRENCH ANALYSIS, THE NORTH AMERICAN EXPORTERS HAVE BEEN THE PRICE LEADERS.
-- THE SCANDINAVIANS NEVER MADE ORIGINAL OFFERS AT DUMPING PRICES. DUMPING PRICES RESULTED ONLY WHEN

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THEY LOWERED THEIR PRICES TO MEET NORTH AMERICAN
COMPETITION.

-- HOWEVER, SHOULD THE COMMISSION DETERMINE THAT THIS
BASIS FOR EXCLUDING THE SCANDINAVIANS IS INCORRECT,
THEY COULD BROADEN THE SCOPE OF THE INVESTIGATION.

6. COMMENT: AS WE REPORTED IN REF. A, THE
REPRESENTATIVES OF THE PULP PRODUCERS ASSOCIATION WITH
WHOM WE MET IN NOVEMBER EXPRESSED THE HOPE THAT THE
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PROBLEM COULD BE RESOLVED AMICABLY AND THAT DUMPING
WOULD CEASE. THE PULP PRODUCERS RECOGNIZED THAT
ATTEMPTS TO WORK OUT AN "ARRANGEMENT" DIRECTLY WITH THE
U.S. SUPPLIERS COULD PUT THEM AFOUL OF U.S. ANTI-TRUST
LEGISLATION. THUS, THEY WERE BANKING ON THE FACT THAT
U.S. PRODUCERS, ONCE ALERTED VIA OFFICIAL AND UNOFFICIAL
CHANNELS THAT ANTI-DUMPING PROCEEDINGS WERE IN THE
OFFING, WOULD CHANGE THEIR EXPORT PRICING POLICIES.
WHEN THIS APPROACH FAILED, THE COMPLAINTS WERE PREPARED
AND FILED. THE SCENARIO IN THIS RESPECT IS REMARKABLY
SIMILAR TO THE ANTI-DUMPING COMPLAINT REGARDING

KRAFT LINER. IN REF. C WE PROVIDED AN ANALYSIS OF THE
DIFFICULT SITUATION THE FRENCH PAPER AND PULP INDUSTRY
PRESENTLY FACES. THE RAPID IMPOSITION OF AN ADMINISTRA-
TIVE VISA REQUIREMENT AND THE INITIATION OF THE ANTI-
CUMPING PROCEEDINGS BEARS WITNESS TO THE GOF CONCERN
RELATIVE TO THIS INDUSTRIAL SECTOR AND COULD WELL FORE-
SHADOW SIMILAR ACTIONS IN SUPPORT OF OTHER DEPRESSED
INDUSTRIES.

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